

My name is Mark Allen and I am the CEO and president of imagin.net, in Arlington, Texas. We began business in 1996 and presently have 1,900 customers, most of whom live and work in the Dallas / Fort Worth area but we also do a fair amount of web hosting for customers throughout the nation, and have some overseas customers as well. I realize that you probably have received countless letters on this issue, many with similar content, please read this one thru to the end, as the content is different :)

We offer many services that our local phone company, Southwestern Bell, does not. Services like free Internet training classes on Saturday mornings, at the Arlington Public Library, On-Site Internet Access training for the elderly and disabled, and other training services. We have a single point of contact for our customers, who will sometimes spend an hour or more with us on the phone learning how to use the Internet and their computer.

When we opened for business, we started, as many ISPs did, with a stack of ordinary dial-up modems and a fistful of phone lines from Southwestern Bell. Of course getting phone lines from SBC was always a problem, and we frequently lost customers when our modem lines became busy because SBC was late delivering phone lines we had ordered well in advance.

Nowadays we have moved on from ordinary phone lines to digital PRI's (Primary Rate ISDN), and the second a CLEC (ESpire) came to town, we moved all of the business we could over to that company instead. Since then the price has gone down, but more importantly, service has improved considerably. ESpire is currently in Chapter 11 because of the practices of SBC in its markets. We are not sure how much longer they will be in business, and we will be forced to look for any surviving CLEC's or go back to the dreaded SBC.

Unfortunately, I can't say the same about DSL. The CLEC we work with has chosen not to enter the DSL business, and the expansion of some of the 'Data CLECs' has stopped. If we want to offer Internet access over DSL to our customers, we must do it through SBC, and the prices SBC has offered us make it impossible for us to compete. We are expected to pay \$800 per month for the backbone connections to the SBC network, \$40 per month for the data line to reach the customer, \$200 for the DSL modem and related equipment, and turn around and compete with SBC, which is offering reconfigured phone lines, internet access and free \$200 modems, for \$50 per month. While they have said repeatedly that this is a limited time offer, they have offered it since the first day they offered ADSL, and have continuously offered it since then, and apparently have no intention of not extending it. There is no way we can offer this product without losing money, and so, while we are in the DSL market in order to not loose our entire customer base to SBC, we are loosing money on it. Unfortunately this also means that we are losing customers, either to SBC for DSL or to the cable company, since more and more of our customers are demanding faster access and since we are not being allowed to connect to the cable, we can't provide it, and our customers go to someone who can. If this trend continues, imagin.net will not be around much longer.

I do not have the resources to fight the tariff that SBC has filed that allows it to get away with charging ISPs a wholesale rate of \$40 for access to the network plus \$800 for the base connection. I believe the true cost is probably a great deal less than that. Especially since competitive CLECs offer the same type of ATM service to their backbone for \$250/month per T1 that SBC is charging us \$800/month for. Any company that can go out and purchase the entire telecom infrastructure of another country (SBC in Turkey) can not be

charging us a fair price. However, I also do not believe that the answer to this problem is simply to allow SBC to stop selling access to the network at all, or to take away the requirements that are supposed to be preventing SBC from discriminating.

I had this same conversation with the Arlington City Council when it came time to renew the contracts with our local cable company, and I would put the same question to you that I put to them. One of the FCC's mandates is to increase the availability of access to communities. One of the best ways to do this is to foster competitiveness within the industry. Most of the companies in the Internet Access industry would like to see their competition decrease. They will even lobby you heavily to get their competition decreased. That is in their own self interest. If the small businesses of American, in this case small ISP's, are locked out of the market by government regulations because of that anti-competition lobbying, the Bells will have the market sowed up between them, without the thousands of businesses that they currently have to compete with. The small ISP is not lobbying you to decrease competition, we are asking you to allow us to stay in business.

In the Dallas / Fort Worth area, consumers can choose between over 80 different Internet Service providers. Knocking out the small ISP will result in a choice between SBC and GTE. A choice of two. This seems to me to be a decrease in competition and choice, not an increase.

The answer is for the FCC to make a good faith effort to uncover the discrimination (whether it is in pricing or provisioning) and put an end to it. Until the FCC has demonstrated that it is willing to do this for ISPs, any talk about lifting the rules for monopolies like SBC is premature.

I hope that you will take my comments seriously - I am sending a copy of this letter to my Congressman and Senators as well to keep them informed of the opinions of their constituents.

Sincerely yours,

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